

## Message Text

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ACTION EB-07

INFO OCT-01 IO-10 ISO-00 AF-06 ARA-06 EA-07 EUR-12 NEA-10

AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06 PRS-01

SP-02 FEAE-00 OMB-01 XMB-02 /133 W

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P 241200Z OCT 75

FM USDEL MTN GENEVA

TO SECSTATE WASHDC PRIORITY 666

LIMITED OFFICIAL USE SECTION 1 OF 2 MTN GENEVA 8080

PASS STR, COMMERCE, AGRICULTURE, TREASURY

H PASS CODEL

E.O. 11652: N/A

TAGS: ETRD MTN

SUBJECT: SUPPLY ACCESS: POSSIBLE HANDLING OF EXPORT RESTRICTIONS

1. SUMMARY. RECENT CONTACTS WITH SOME KEY DELS SUGGEST THAT USEFUL INTERIM STEP TO PAVE WAY FOR SUPPLY ACCESS WORK IN MTN WOULD BE US INITIATIVE TO COMPILE AND NOTIFY REPRESENTATIVE SAMPLE OF EXPORT RESTRICTIVE MEASURES TO GATT NTB INVENTORY. END SUMMARY.

2. IN LIGHT OF TPSC 75-14, DESCRIBING INTERIM STRATEGY FOR HANDLING IN MTN OF SUPPLY ACCESS, MTN DEL HAS RECENTLY PROBED EC, JAPANESE, CANADIAN, AND AUSTRALIAN DELS ABOUT THEIR THINKING ON EXPORT RESTRICTIONS. WHILE INTEREST AND MOTIVATION AMONG THESE DELS VARY WIDELY ALONG WELL-KNOWN LINES, THEY ALL SEE POSSIBLE NTB INVENTORY NOTIFICATION PROCEDURE  
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AS USEFUL OPERATIONAL STEP WHICH WOULD BUILD DATA BASE

AND HELP CLARIFY PROBLEM. FOR DIFFERENT REASONS, THEY DO NOT WANT TO TAKE LEAD THEMSELVES BUT WOULD NOT BE HOSTILE TO USG INITIATIVE OF THIS KIND. SOME OF THEM HOPE WE WILL DO SO IF ONLY TO KEEP TOPIC ALIVE AS POTENTIAL SUBJECT FOR NEGOTIATION.

3. ACCORDINGLY, WE SUGGEST WASHINGTON CONSIDER THE FOLLOWING APPROACH: US WOULD PREPARE SET OF NOTIFICATIONS ON GOVERNMENT MEASURES HAVE EXPORT RESTRICTIVE EFFECT FOR INCLUSION IN GATT NTB INVENTORY, USING AS BASIC DATA THE RESPONSES TO CIRCULAR TELEGRAM OF LAST JUNE (STATE 146681) TO ALL NON-OECD POSTS, AND OECD INVENTORY OF EXPORT RESTRICTIONS DEVELOPED DURING LAST 18 MONTHS. AS DATA FROM LATTER SOURCE NOT FULLY ADEQUATE--BEING BASED MOSTLY ON SELF-NOTIFICATION BY MEMBER GOVERNMENTS--IT COULD USEFULLY BE EXPANDED AND VERIFIED BY SENDING JUNE CIRCULAR TELEGRAM TO POSTS IN OECD CAPITALS. NOTIFICATIONS PREPARED FROM ENLARGED DATA BASE SHOULD INCLUDE BOTH MEASURES WITH SPECIFIC TRADE RESTRICTING EFFECT AND THOSE WHERE MAIN PROBLEM IS UNPREDICTABILITY AND UNCERTAINTY OF GOVERNMENT ACTION. THEY SHOULD COVER BOTH AGRICULTURE AND INDUSTRY, AND INCLUDE REPRESENTATIVES FROM MAIN DCS AND LDCS.

4. OBJECT OF USING NTB INVENTORY (WHICH PRE-DATES TOKYO DECLARATION AND MTN) WOULD BE TO BUILD UP, WITHOUT COMMITMENT, BACKGROUND OF PREPARATORY DATA ON EXPORT RESTRICTIONS IN WAY WHICH DOES NOT FORCE CHALLENGE TO STANDING OBJECTIONS OF SOME KEY DELS ON COMPETENCE OF PARTICULAR WORKING GROUPS OR EVEN LEGITIMACY OF SUBJECT IN MTN AS A WHOLE. NOTIFICATIONS, CUSTOMARILY CIRCULATED TO ALL MTN DELS, WOULD PUT SOME SLIGHT PRESSURE ON COUNTRIES NOTIFIED AGAINST TO SUPPLY WRITTEN COMMENTS ON OR DEFENSE OF LISTED MEASURE. FOR USG, AS THIS WOULD NOT BE PROPOSAL FOR NEGOTIATION OR EVEN NEW MTN WORK ITEM, IT WOULD NOT COMMIT US TO ANY PARTICULAR COURSE OF ACTION WITH RESPECT TO SOLUTIONS BUT WOULD PUT US IN BETTER POSITION TO GET DOWN TO SPECIFICS, IF AND WHEN WE WISH TO DO SO. (INVENTORY AT PRESENT ALREADY HAS ONE EXPORT RESTRICTION, LIMITED OFFICIAL USE

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SWISS CITATION OF US RESTRICTIONS ON FERROUS SCRAP.) WHILE WE THINK US ALONE COULD TAKE INITIATIVE HERE WITHOUT RISK TO ITS INTERESTS, WE MIGHT WITH SOME MISSIONARY WORK BE ABLE TO ENCOURAGE SOME OTHER COUNTRIES TO FILE NOTIFICATIONS ALSO. IMPRESSIONS WE HAVE GAINED FROM DISCUSSIONS WITH REPS OF EC, JAPAN, AUSTRALIA, AND CANADA ARE AS FOLLOWS:

(A) EC (ABBOTT) ACKNOWLEDGES NTB INVENTORY NOTIFICATIONS HAVE ALWAYS BEEN ONE WAY OF PROCEEDING AND THINKS IT COMPATIBLE WITH CURRENT COMMUNITY VIEW THAT HAVING DRAWN ATTENTION TO THIS SUBJECT AT JULY TNC, IT NOW SUITABLE TO TAKE A SOMEWHAT LOWER PROFILE BUT NOT LET SUBJECT DROP COMPLETELY OUT OF SIGHT. ON DATA, WHILE EC NOT IN POSITION TO CANVASS THE GOLE AS US OR JAPAN COULD DO, IT DOES HAVE SOME POTENTIAL NOTIFICATIONS ONFILE, SUCH AS MATERIAL USED IN ITS LETTER TO GATT SECRETARIAT LAST JUNE ON MEASURES TO BE INCLUDED IN ORES/METALS STUDY IN MTN SECTORS GROUP. COMMUNITY HAS BEEN LEERY OF NOTIFICATIONS TO NTB INVENTORY LEST THIS PREJUDICE THEIR ARGUMENT THAT EXPORT RESTRICTIONS ARE ALREADY REQUIRED TO BE NOTIFIED UNDER ARTICLE XI. ABBOTT FEELS THAT AS SUCH NOTIFICATIONS HAVE NOT BEEN FORTHCOMING SO FAR, COMMUNITY MAY PERHAPS HAVE BEEN OVERLY RIGID ON THIS POINT. WHILE EC NOT LIKELY TO LAUNCH INITIATIVE ON NOTIFICATIONS, NEITHER IS IT LIKELY TO HANG BACK IF SOMEONE ELSE TAKES LEAD. ABBOTT FURTHER ACKNOWLEDGES THAT EXPORT RESTRICTIVE MEASURES WHICH MIGHT BE NOTIFIED CUT WIDER SWATH THAN JUST QRS COVERED BY ARTICLE XI.

(B) JAPANESE REPS (MIZOGUCHI, WADA, TERADA) INDICATE CONTINUED JAPANESE PREFERENCE FOR NEW AND SEPARATE GROUP TO TAKE UP SUPPLY ACCESS PROBLEM. JAPAN PREPARED LIST OF EXPORT RESTRICTIVE MEASURES SOME TIME AGO WHICH COULD BE UP-DATED AND NOTIFIED IN SHORT ORDER. BUT JAPAN IS WAITING FOR SOME US INITIATIVE, OR POSSIBLY US PROPOSAL FOR JOINT INITIATIVE AMONG BIG THREE. JAPANESE INCLINE TO VIEW THAT NOTIFYING DIRECTLY TO NTM INVENTORY WOULD NO PREJUDICE THEIR OBJECTIVE OF SOME NEW GROUP. LIKE EC, JAPAN WILL TAKE LIMITED OFFICIAL USE

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LOW PROFILE UNLESS SOMEONE ELSE TAKES AN INITIATIVE. (C) ANUSTRALIA (MOORE-WILTON) ACKNOWLEDGES IN LIGHT OF AUSTRALIAN RETICENCE ON THIS SUBJECT SO FAR, THAT SERIES OF SPECIFIC NOTIFICATION WOULD BE "ONLY WAU TO SMOKE US OUT" ON THE ISSUE OF EXPORT RESTRICTIVE MEASURES. HE POINTS TO THEIR VIEW EXPRESSED IN JULY TNC STATEMENT THAT SICNE WHAT WAS NEEDED WAS TO "KNOW WHAT IT IS THAT COUNTRIES THAT RAISE THIS ISSUE ARE CONCERNED ABOUT," AUSTRALIA PREFERS "EXISTING PROCEDURES

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SP-02 FEAE-00 OMB-01 XMB-02 /133 W

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P 241200Z OCT 75

FM USDEL MTN GENEVA

TO SECSTATE WASHDC PRIORITY 667

LIMITED OFFICIAL USE SECTION 2 OF 2 MTN GENEVA 8080

PASS STR, COMMERCE, AGRICULTURE, TREASURY

H PASS CODEL

OF NOTIFICATION AND JUSTIFICATION AND IN DUE COURSE  
CONSULTATION OR NEGOTIATION ACCORDING TO AGREED  
ARRANGEMENTS." MOORE-WILTON INDICATES CANBERRA WAS  
NOT HAPPY WITH THIS FORTHCOMING APPROACH DEVISED BY  
AUSTRALIAN MTN DELEGATION AND THUS HE CAN NOT GIVE FIRM  
ASSURANCE THAT AUSTRALIA WOULD PARTICIPATE  
IN ANY CONSULTATION PROCESS WHICH MIGHT FOLLOW  
NOTIFICATIONS. SPECIFIC NOTIFICATIONS THEMSELVES  
WOULD AT LEAST FORCE CANBERRA TO DECIDE ON SPECIFIC  
RESPONSE, EITHER COOPERATION OR NON-COOPERATION, WITH  
LATTER BEING AT FURTHER SLIGHT RISK TO AUSTRALIAN  
STANDING IN MTN AND GATT.

(D) CANADA (DENIS) VIEWS NOTIFICATION TO NTB  
INVENTORY AS A REASONABLE APPROACH, IN CONTRAST TO  
POSSIBLE NOTIFICATION/CONSULTATION UNDER MTN UMBRELLA  
ON NON-TARIFF MEASURES GROUP WHICH CANADA WOULD  
VIGOROUSLY OPPOSE. USE OF GATT INVENTORY  
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DOES NOT RAISE THE SAME JURISDICTIONAL PROBLEMS FOR CANADIAN SECTORAL APPROACH IN MTN. HE SAYS IN EFFECT THAT CANADA CAN TOLERATE A NEUTRAL REPOSITORY OF MEASURES THAT SOME COUNTRIES THINK TROUBLESOME BUT CANNOT AT THIS TIME BUY INJECTING THESE MEASURES INTO GROUPS OTHER THAN SECTORS AND AGRICULTURE. HE POINTS OUT THAT CANADIAN DEL HAS NOW FILED ITS OWN LIST OF EXPORT RESTRICTIVE MEASURES TO BE INCLUDED IN SECTOR GROUP ORES/METALS STUDY (REPORTED MTN GENEVA 8032).

6. WHILE WE HAVE NOT SOUGHT LDC REACTION TO NTB INVENTORY NOTIFICATION PROPOSAL, WE WOULD NOT EXPECT IT TO BE WIDELY ENTHUSIASTIC. BRAZIL IN PARTICULAR MAY BE HOSTILE, IN VIEW OF ITS EFFORT TO GAIN MAXIMUM SUPPLIER LEVERAGE VIA IDEA OF SUPPLY ASSURANCES AS PART OF ITS 7TH SPECIAL SESSION PROPOSAL FOR NEW DC-LDC TRADE AGREEMENT. (AT SAME TIME IT HAS REFUSED IN MTN TO CONSULT UNDER QR SUBGROUP PROCEDURES.) FOR MANY KEY LDCS, HOWEVER, INVENTORY NOTIFICATIONS WOULD RESPOND TO THEIR LITANY THAT PROBLEMS NEEDS MORE DEFINITION, WITHOUT DIRECTLY PROVOKING ARGUMENT ON WHETHER TOKYO DECLARATION AUTHORIZES SAME. IT COULD ALSO DEMONSTRATE UNIVERSALITY OF EXPORT RESTRICTIONS PROBLEM, IN CONTRAST TO STEREOTYPE OF ISSUE AS DC-LDC CONFRONTATION.

7. OUR CONCLUSION IS THAT PROPOSED APPROACH OFFERS SEVERAL CHALLENGES FOR ENGAGING OTHER DELS ON THIS ISSUE AND WOULD BE NEUTRAL WAY TO ENCOURAGE PREPARATORY WORK PROGRAM. MTN DEL NOT UP TO DATE ON STATUS WASHINGTON INTERAGENCY PROJECT TO ORGANIZE DATA GENERATED BY CIRCULAR TELEGRAM CITED PARA 2 ABOVE BUT WE HOPE THIS PROJECT IS BEING ACTIVELY PURSUED. WE RECOMMEND SIMILAR INQUIRY BE CIRCULATED TO US MISSION IN OECD CAPITALS AND THAT WASHINGTON CONSIDER EARLY DECISION ON POSSIBLE NTB INVENTORY NOTIFICATION PROCESS.  
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## Message Attributes

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